

## THERE IS A PROPOSAL TO EXPAND THE LIST OF COMPANIES WHOSE PRODUCTION AND SALES VOLUMES MUST BE REGISTERED IN THE UNIFIED STATE AUTOMATED INFORMATION SYSTEM

For the attention of CEOs, heads of legal and chief accountants of companies active on the alcohol market

Pepeliaev Group advises of a proposal that the requirement for mandatory registration of information in the Unified State Automated Information System be extended. Under the proposal, the requirement would also apply to producers of beer, beer-based beverages, cider, perry and mead, companies that buy, store and supply (including importing) alcohol products and products containing alcohol, as well as to retail sellers of alcohol products.

On 13 January 2015 the State Duma Committee on Economic Policy, Innovative Development and Entrepreneurship adopted a decision to put before the State Duma Draft Law No. 686588-6 "On amending Federal Law "On state regulation of production and circulation of ethyl alcohol, alcohol products and products containing alcohol and limiting the consumption (drinking) of alcohol products" to improve registration of the circulation of alcohol products and products containing alcohol". The Draft Law was initiated by the Russian Government.

This Draft Law proposes that the requirement for mandatory registration of information in the Unified State Automated Information System be extended to the following companies:

producers of beer, beer-based beverages, cider, perry and mead

Exceptions: producers of beer, beer-based beverages, cider, perry and mead whose production volume of such products does not exceed 300,000 dL per year.

 companies that buy, store and supply (including importing) alcohol products and products containing alcohol (including beer, beer-based beverages, cider, perry and mead), as well as retail sellers of alcohol products products

Exceptions: retail sellers of beer, beer-based beverages, cider, perry, mead, alcohol products and products containing alcohol in the context of catering services being provided; of alcohol products in rural settlements with fewer than 3,000 residents where the Internet is not available; purchasers of ethyl alcohol, alcohol products and products containing alcohol for the purposes of using them as a raw or auxiliary material and some other exceptions.

The Draft Law sets out a schedule for the Unified State Automated Information System to be introduced in stages:

- from 1 July 2015 for production of beer, beer-based beverages, cider, perry and mead;
- from 1 November 2015 for buying, storing and supplying ethyl alcohol, alcohol products and products containing alcohol;
- from 1 July 2016 for retail sale of alcohol products in cities; and

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- from 1 July 2017 - for retail sale of alcohol products in villages.

Until 19 February 2015, the appropriate committee of the State Duma will collect opinions, suggestions and comments in relation to this Draft Law.

## What to think about and what to do

As the Russian Government has stated in the explanatory note to the Draft Law, these amendments are aimed at solving problems connected with circulation of counterfeit alcohol products.

At the same time, the Draft Law directly affects the interests of law-abiding companies active on the alcohol products market. It imposes additional obligations and expenses on such companies.

Companies may, on their own or collectively, send to the State Duma their opinions, suggestions and comments to the Draft Law.

## Help from your adviser

Pepeliaev Group's lawyers are ready to provide assistance in preparing comments on this Draft Law and developing suggestions to improve it. We are also ready to help lobby for those active on the market when the State Duma considers this Draft Law.

## **Contact details**



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